

Message Text

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TO USMISSION IAEA VIENNA PRIORITY

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FOLLOWING REPEAT STATE 152033 SENT ACTION BRASILIA TAIPEI
PARIS LONDON ATHENS TEHRAN DUBLIN ROME BONN THE HAGUE TOKYO
SEOUL LISBON PRETORIA MADRID BANGKOK EC BRUSSELS DATED
13 JUL 1974

QUOTE

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E.O. 11652;GDS

TAGS: ENGR

SUBJECT: URANIUM ENRICHMENT CONTRACTING

1. ON JULY 2 THE U.S. ATOMIC ENERGY COMMISSION, ANNOUNCED A DECISION TO TEMPORARILY SUSPEND URANIUM ENRICHMENT CONTRACTING. THIS DECISION WAS MADE TO ENABLE AEC TO REVIEW PENDING REQUESTS FROM FOREIGN AND DOMESTIC CUSTOMERS AS COMPARED TO ITS CONTRACTING CAPABILITY.
2. POSTS SHOULD BE PREPARED TO ANSWER QUESTIONS FROM HOST GOVERNMENTS CONCERNING THE AEC DECISION, DRAWING UPON LIMITED OFFICIAL USE

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THE FOLLOWING:

A. THE KEY FACTS ARE AS FOLLOWS: (1) AT THE PRESENT TIME 273 GIGAWATTS ARE UNDER CONTRACT. PENDING REQUESTS TOTAL APPROXIMATELY 90 GIGAWATTS, INCLUDING FOREIGN REQUESTS FOR ABOUT 75 GIGAWATTS. (2) THE CAPABILITY OF THE AEC'S THREE ENRICHMENT PLANTS TO PROVIDE NUCLEAR FUEL DEPENDS UPON A NUMBER OF FACTORS, NOTABLY PLUTONIUM RECYCLE AND OPERATING TAILS ASSAY. THESE FACTORS ARE BEING REVIEWED. (3) THE AVAILABLE CAPABILITY OF THE THREE U.S. ENRICHMENT PLANTS IS SUFFICIENT TO SUSTAIN APPROXIMATELY 290 GIGAWATTS (A GIGAWATT IS 1,000 MEGAWATTS) OF COMMERCIAL NUCLEAR POWER ON A LONG-TERM BASIS ASSUMING NO PLUTONIUM RECYCLE AND 0.30 TAILS ASSAY, AND 350 GIGAWATTS ASSUMING PLUTONIUM RECYCLE AND SAME TAILS ASSAY.

B. WITH THE EXCEPTION OF TWO SMALL CONTRACTS WITH EGYPT AND ISRAEL AND TWO CONTRACTS WITH IRAN (TOTALING LESS THAN 3 GIGAWATTS), AEC HAS NOT ENTERED INTO ANY FIRM CONTRACTS SINCE ABOUT JUNE 19. THE EXCEPTIONS, WHICH DO NOT GREATLY AFFECT FUEL AVAILABILITY OVERALL, WERE MANDATED BY SPECIFIC PRESIDENTIAL COMMITMENTS.

C. THE COUNTRIES WITH FUEL REQUESTS PENDING ARE: BRAZIL, TAIWAN, FRANCE, IRELAND, ITALY, GERMANY, THE NETHERLANDS, THE UNITED KINGDOM, GREECE, IRAN, JAPAN, SOUTH KOREA, PORTUGAL, SOUTH AFRICA, SPAIN AND THAILAND.

D. THE SITUATION LEADING TO THE SUSPENSION OF CONTRACTING AROSE FOR RELATED REASONS. FIRST, KNOWLEDGE THAT USAEC FACILITIES WERE NEARING CAPACITY APPARENTLY PRECIPITATED A LAST MINUTE SURGE OF REQUESTS FAR IN EXCESS OF THE DEMAND PREDICTED BY THE SURVEYS OF FOREIGN REQUIREMENTS WHICH WE MADE IN MARCH AND MAY OF THIS YEAR. SECOND, THE UNEXPECTED INCREASE IN REQUESTS WAS ITSELF CAUSED BY THE ACCELERATION OF PLANS TO CONSTRUCT NUCLEAR GENERATING PLANTS IN THE WAKE OF THE ENERGY EMERGENCY LAST WINTER.

E. AT THE PRESENT TIME THE UNITED STATES IS INTENSELY REVIEWING THE FUEL SITUATION AND EXPLORING LINES OF ACTION OPEN TO US. DECISIONS ARE EXPECTED SHORTLY.
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F. YOU SHOULD BE AWARE THAT PLUTONIUM RECYCLE DEPENDS UPON A FAVORABLE FINDING BY THE AEC ON AN ENVIRONMENTAL IMPACT STATEMENT UNDER PROCEDURES THAT WILL REQUIRE SOME SIX TO NINE MONTHS TO COMPLETE. CHANGING THE OPERATING TAILS ASSAY IS DEPENDENT UPON THE AVAILABILITY OF URANIUM FEED AND ELECTRIC POWER.

G. ANOTHER FACTOR TO BE WEIGHED IS THE EXPECTED
DECISION BY U.S. PRIVATE INDUSTRY TO CONSTRUCT PRIVATE
U.S. ENRICHMENT PLANTS. IF AND WHEN SUCH DECISIONS
ARE MADE, THEY WILL ENABLE PRIVATE INDUSTRY TO ENTER INTO
FIRM COMMITMENTS TO PROVIDE ENRICHMENT SERVICES BEGINNING
IN THE EARLY 1980'S.

H. FINALLY, IT SHOULD BE NOTED THAT THE AEC ACTION
CONCERNS ONLY THOSE REACTORS PLANNED TO BEGIN OPERATION
IN MID-1978 TO MID-1982 TIME PERIOD. ENRICHMENT SERVICES
REQUIRED BY THE MANY FOLD GROWTH OF NUCLEAR POWER EXPECTED
TO TAKE PLACE IN THE NEXT SEVERAL DECADES IS ANTICIPATED
WILL BE MET BY U.S. PRIVATE INDUSTRY, ALONG WITH SUCH
FOREIGN ENRICHMENT FACILITIES AS MAY BE ESTABLISHED.

3. POSTS SHOULD NOT RAISE THE MATTER OF THE AEC
SUSPENSION WITH HOST GOVERNMENTS AT THIS TIME; BUT
AS NOTED ABOVE, SHOULD RESPOND TO QUERIES. KISSINGER
UNQUOTE

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